

0220-05560-0001

TRANSMITTAL

TO Council	DATE 01-31-20	COUNCIL FILE NO.
FROM Proposition K – L.A. For Kids Steering Committee		COUNCIL DISTRICT CD 5

At its meeting held on January 30, 2020, the L.A. for Kids Steering Committee adopted the recommendations of the attached Bureau of Engineering (BOE) report, with authority to provide the following Controller's instructions, subject to Council approval: Authorize the Controller to transfer a total of \$500,000 in additional specified (GAP) funds, to the Robertson Recreation Center project account as follows:

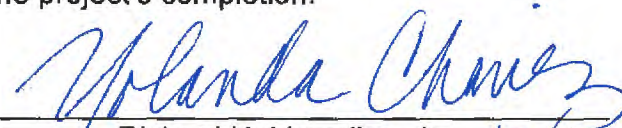
FROM: \$500,000 – 43K/10/10S999 – ADDITIONAL SPECIFIED FUNDING

TO: \$500,00 – 43K/10/TBD – GAP: ROBERTSON REC CENTER (S46)

Adoption of the report recommendation would also authorize an increase of \$500,000 in the approved project budget for the Robertson Recreation Center Project from \$13,195,408 to \$13,695,408.

On June 05, 2019, Council authorized a project budget of \$13,195,408 that has increased to \$13,695,408 due to the discovery of mold and termite damage and the need to redesign a proprietary planter/storage tank system as part of the Low Impact Development (LID) requirement. The project is reported at 90 percent complete and the estimated project completion date is April 2020.

There is no anticipated impact on the General Fund as the construction shortfall for the Robertson Recreation Center Project would be fully offset by utilizing Proposition K program funds. As an existing facility, any incremental increases for operation and maintenance costs will be addressed through future City budgets following the project's completion.

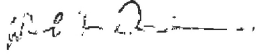

Richard H. Llewellyn, Jr.
City Administrative Officer
Chair, L.A. For Kids Steering Committee

**CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE**

**L.A. FOR KIDS STEERING COMMITTEE MEETING, January 30, 2020
AGENDA ITEM (7)
RECOMMENDATION TO APPROVE A REVISED PROJECT BUDGET FOR THE
ROBERTSON RECREATION CENTER PROJECT**

DATE: January 30, 2020

TO: Proposition K – L.A. for Kids Steering Committee

FROM: Neil Drucker, Program Manager 
Recreation and Cultural Facilities Program
Proposition K – L.A. for Kids Program
Bureau of Engineering

SUBJECT: APPROVAL OF THE REVISED PROJECT BUDGET FOR THE ROBERTSON RECREATION CENTER PROJECT (COUNCIL DISTRICT 5, PROPOSITION K ID. # S-16, W.O. # E 170266A)

RECOMMENDATION:

The Bureau of Engineering (BOE) requests that the Proposition K – L.A. for Kids Steering Committee recommend that:

- The City Council approve an increase to the project budget from \$13,195,408 to \$13,695,408 for the Robertson Recreation Center project (Council District 5, Proposition K – ID. # S16) (Project).

DISCUSSION/BACKGROUND:

The Proposition K Ballot Measure authorized funding for a Specified project at the Robertson Recreation Center located at 1641 Preuss Road, in Council District 5, with a defined scope to: "Construct a modern gymnasium, community center, childcare center, perimeter improvements."

The Project is currently under construction and is approximately 90% complete. It is anticipated that construction will be completed by late April 2020. On January 31, 2019, the L.A. for Kids Steering Committee approved an increase of funding from \$10,573,208 to \$12,895,408 and BOE subsequently reported that an additional \$300,000 would be needed for mold abatement, which increased the Project budget from \$12,895,408 to \$13,195,408 and was allocated in the 2019-20 Proposition K Annual Assessment Report. BOE has advised that to complete the Project on schedule, a \$500,000 funding shortfall needs to be addressed at this time. BOE is requesting that the Project's current budget and funding, which is \$13,195,408, be increased to \$13,695,408.

The Project incurred cost increases due to unforeseen conditions during construction. Described below are some of the significant Change Orders that affected the Project costs:

- a. During the remodeling of the existing Childcare Center interior, mold and termite damage were uncovered behind plaster and wall tiles. The interior drywall and ceiling were removed and the mold was treated and abated. For termite handling, the building was tented and fumigated and structural repair is currently being performed on the

damaged wall studs. Finally, the ceiling and drywall will be replaced and painted. The change orders are still under negotiation, but BOE is estimating this portion to cost \$200,000.

- b) As part of the Low Impact Development (LID) requirement, a proprietary planter/storage tank system was to be implemented. However, the plans and details provided by the vendor proved inadequate for construction, and the system's cost increased. Upon requests for additional information, the vendor was not responsive, so the design was discarded. Consequently, by October 2019, a new LID plan was developed by the BOE. This action required significant re-design and permitting by the Departments of Sanitation and Building and Safety; approval from various Department of Recreation and Parks staff; and finally, an extended negotiation with the construction contractor that impacted both price and project schedule. The change orders are still under negotiation, but BOE is estimating this portion to cost \$482,000.

STATUS OF FUNDING

The chart below details the current funding.

ROBERTSON RECREATION CENTER (Prop K ID No. S16)	
• Proposition K Specified Funding	\$ 3,000,000
• Proposition K GAP Funds	\$ 588,726
• Proposition K Interest	\$ 3,090,099
• Proposition K Inflation	\$ 2,033,474
• Quimby	\$ 4,483,109
Cumulative Funding Awards:	\$ 13,195,408
Funding Shortfall Proposition K GAP funds:	\$ 500,000
Total Project Budget:	\$ 13,695,408

There is an allowance included as part of the \$25 million annual program budget to award additional (GAP) funding to address shortfalls for Proposition K Specified projects, but this would reduce the funding capacity for other Specified projects. BOE recommends the use of \$500,000 of available Proposition K - GAP funds. The remainder of the change order costs of \$182,000 is available within already allocated project funding.

In 2014, as part of a prior program reconciliation report (C.F. 12-1670-52), the Robertson Recreation Center project was designated as one of 11 high-priority projects. The recommended award of funds will enable the program to satisfy the scope requirements of this project fully.

FISCAL IMPACT

There is no anticipated impact on the General Fund if the construction shortfall for the Robertson Recreation Center project can be fully offset by utilizing Proposition K program funds. As an existing facility, any incremental increases for operation and maintenance costs will be addressed through future City budgets following the project's completion.